



Restaurant Brands New Zealand Limited

Annual Results to 31 December 2021
(FY21)

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28 February 2022

Presentation Outline

- Key Points
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- New Zealand Operations
- Australian Operations
- Hawaiian Operations
- Californian Operations
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- Questions

Key Points

	vs. FY 20	FY 19D	FY 19D (R)	FY 20	FY 21
• Group Sales	+19.7%	\$705.5m	\$833.8m	\$892.4m	\$1,068.2m
• Reported NPAT	+69.3%	\$30.1m	\$35.6m	\$30.6m	\$51.9m
• Brand EBITDA	+17.2%	\$116.0m	\$137.1m	\$147.3m	\$172.6m

- Group sales exceeded the long signalled target of \$1B.
- A strong performance despite the COVID-19 headwinds.
- California purchase (69 stores) completed on 2 September 2020 - full year's trading included in FY21.
- Dividend of 32.0 cents per share declared, payable on 22 April

Note:

- FY 19D = 10 months to 31 December 2019
- FY 19D (R) = Restated FY 19D (pro rata) for equivalent 12 month period
- FY 20 = 12 months to 31 December 2020
- FY 21 = 12 months to 31 December 2021

Results Overview

NPAT increases on full year trading of California acquisition and solid same store sales growth

<i>\$m (after tax)</i>	FY 20	FY 21	Change \$	Change B/(W)%
Reported NPAT	30.6	51.9	21.3	69.3%
NZ IFRS 16 Impact	7.0	9.6	2.6	(37.1%)
Other (Income) and Expenses	4.8	(7.2)	(12.0)	250.0%
Comparable Trading NPAT	42.4	54.3	11.9	28.1%

COVID-19 – A continuing impact on the business

NEW ZEALAND

- All stores fully closed 18 August - 31 August, with Auckland stores remained fully closed until 21 September (Level 4).
- Lost sales from full store closures in excess of \$26m. All staff were paid full wages over this time.
- Various other restrictions on dine-in trading during the year.
- Government grants of \$7.2m for wages received during the Level 4 “lockdown” fully paid out to staff.



COVID-19 – An unprecedented impact on the business

AUSTRALIA

- Temporary closure of 15 mall and inline stores.
- Various other restrictions on dine-in trading during the year.
- FSDT stores performed strongly.
- No Government support.

HAWAII

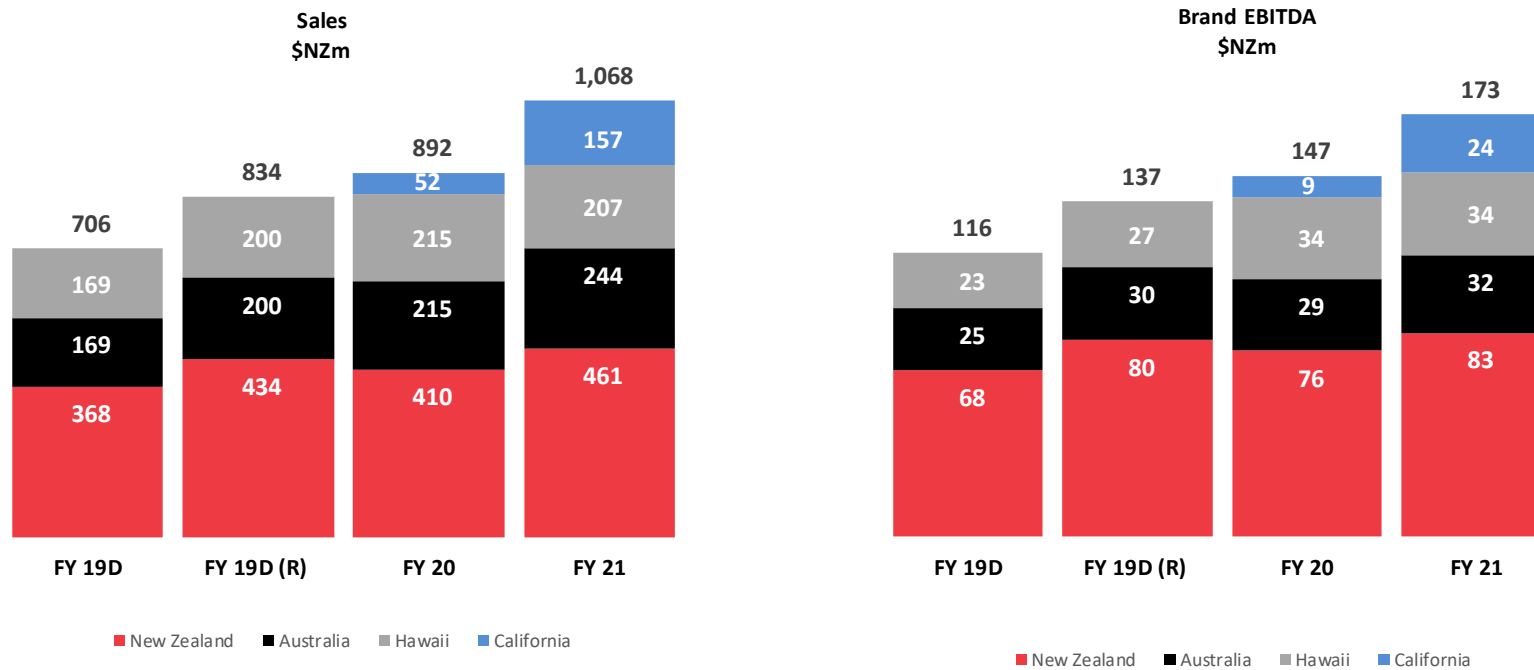
- Hawaii and Guam Taco Bell stores recovered from dine-in restrictions and temporary mall store closures.
- Pizza Hut business maintained it's growth with a strong delivery and online offer.
- Government PPP loan of \$US8.1m (drawn during 2020) has been forgiven.

CALIFORNIA

- COVID-19 dine in restrictions in place were mitigated by all stores having drive-thru functions.



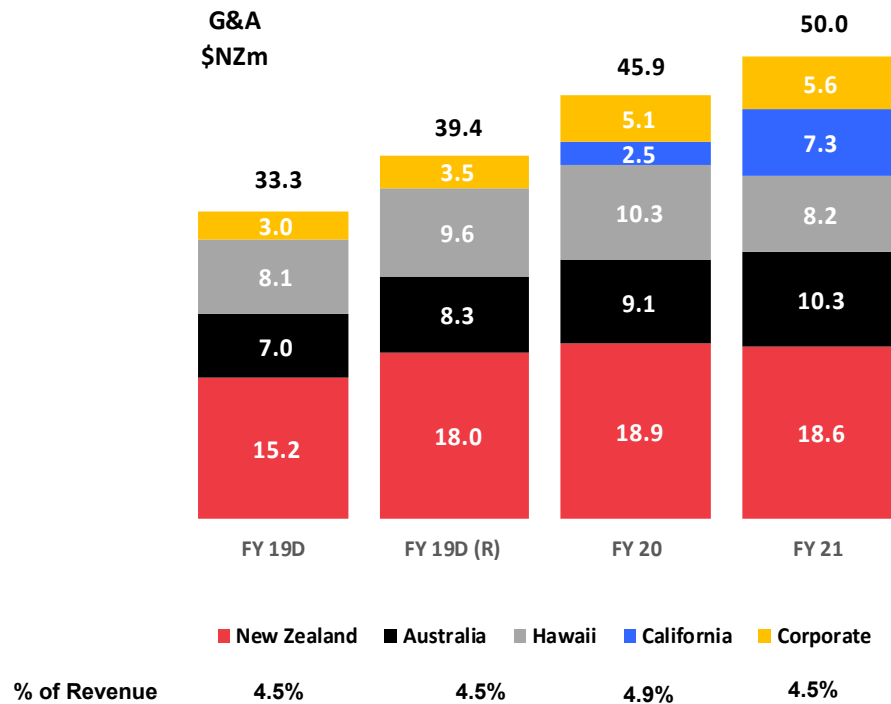
Lost sales and margin from COVID-19 store closures more than made up for by full year of California operations and strong same store sales



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G&A costs stable at 4.5% of revenues, including initial Taco Bell staffing costs in New Zealand & Australia



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Other Income and Expenses (“non-trading items”) primarily consists of Hawaii PPP loan forgiven, partly offset by ERP implementation costs

\$NZm (Pre tax)

	FY 20	FY 21
Loan Forgiveness	-	(11.4)
Gain on sale Pizza Hut stores	(0.4)	(0.9)
Impairment of assets & goodwill	0.5	-
Sundry other income & expenses	0.4	0.2
Acquisition costs	4.3	0.7
ERP Implementation	-	4.2
Net Other (Income) & Expenses	4.8	(7.2)

**Operating cash flows up on prior year with strong trading and California acquisition.
Investing cash flows higher on catch up of prior year's COVID-19 related delays.**

<i>\$NZm</i>	FY 19D	FY 20	FY 21
Operating Cashflow (NZ IFRS 16 adjusted)	72	90 *	102 *
Investing Cashflow (adjusted)	(60)	(58) **	(82) ***
Free Cashflow	12	32	20

* Adjusted for lease principal payments of \$24.5m (FY 20 \$21.2m) classified as financing activities under NZ IFRS 16

** Adjusted for \$119.2m (\$US80.7m) 69 store California acquisition

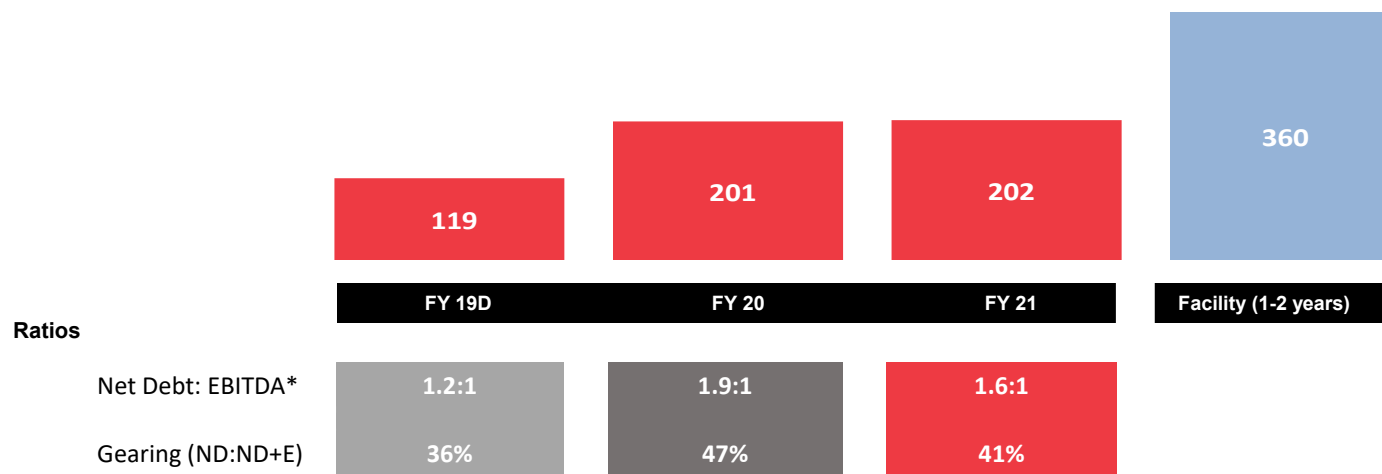
*** Adjusted for \$27.5m (\$A23.3m) 5 store Australia acquisition

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Net borrowings stable with improved debt ratios from strong trading performance

Net Debt \$NZm



Ratios

Net Debt: EBITDA*

1.2:1

1.9:1

1.6:1

Gearing (ND:ND+E)

36%

47%

41%

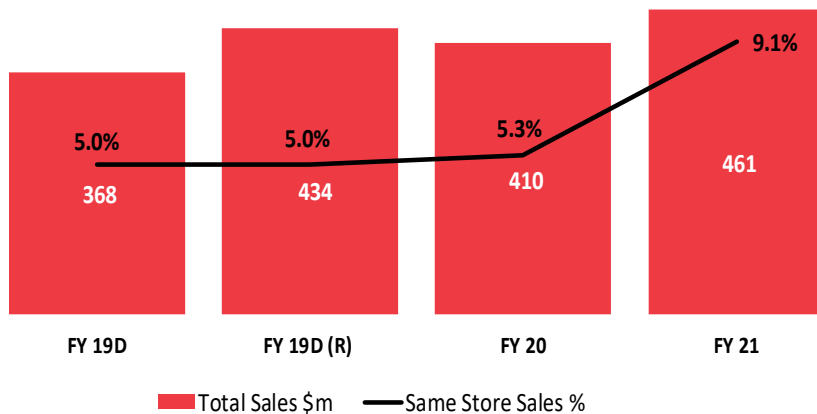
* FY 19D EBITDA grossed up 44 weeks to 52 weeks, EBITDA including lease costs (pre NZ IFRS16)

New Zealand Operations

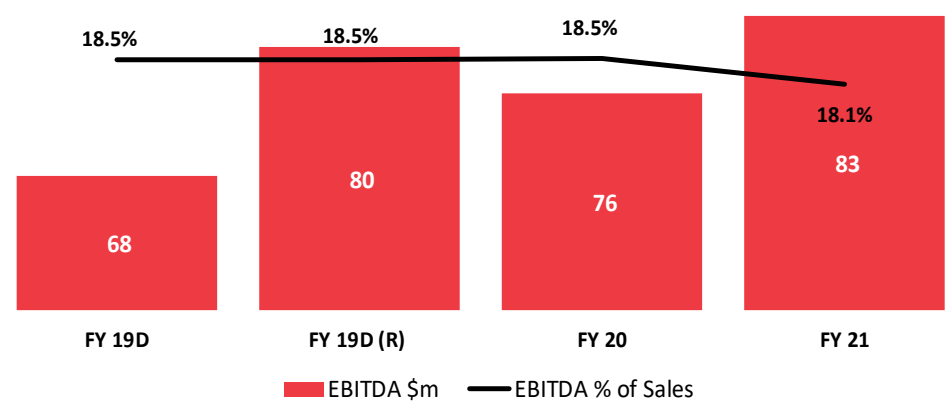


NZ sales impact of COVID-19 closures and restrictions offset by strong same store sales. EBITDA % drops slightly on higher sales mix of new Taco Bell stores

NZ Sales



NZ EBITDA

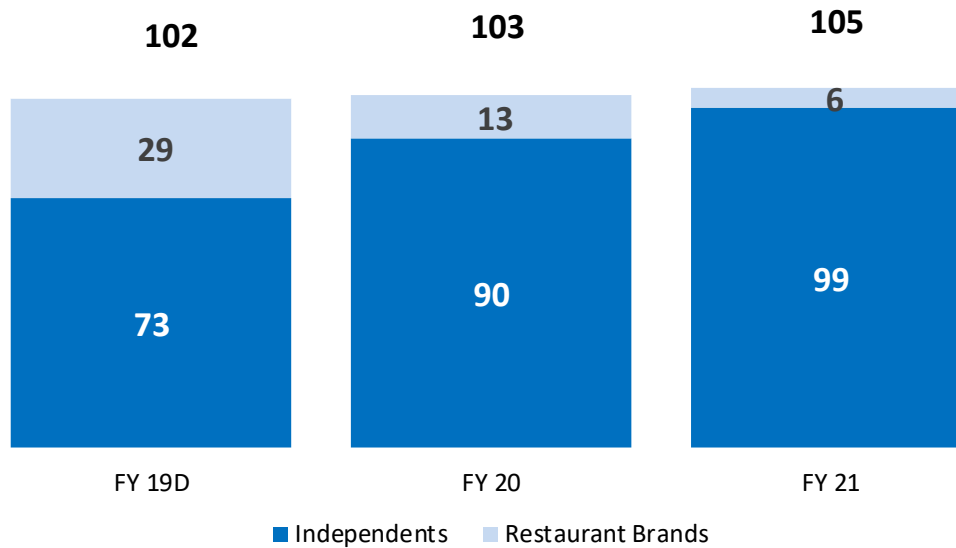


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Sales of Pizza Hut stores to independent franchisees complete, with new store builds for independent franchisees to continue

No. of Stores



Note:

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- FY 20 = as at 31 December 2020
- FY 21 = as at 31 December 2021

Australian Operations

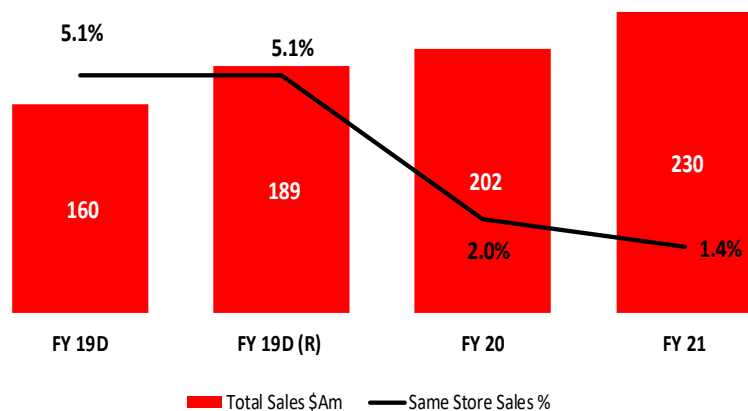


KFC
FINGER LICKIN' GOOD

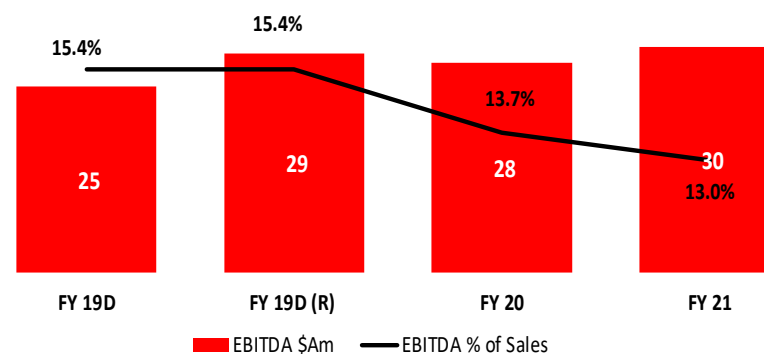

TACO BELL

Australian business continues to be impacted by lower sales in mall and CBD stores from COVID-19 crisis; however larger FSDT stores performed strongly

Australia Sales



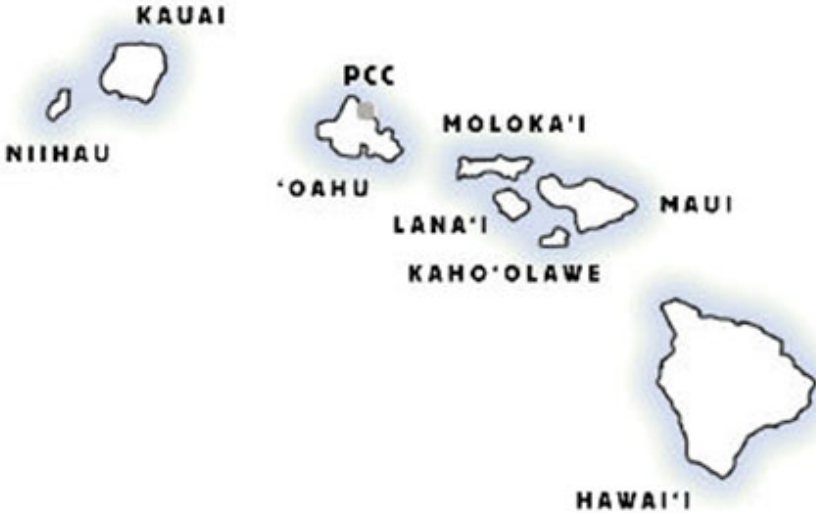
Australia EBITDA



Note:

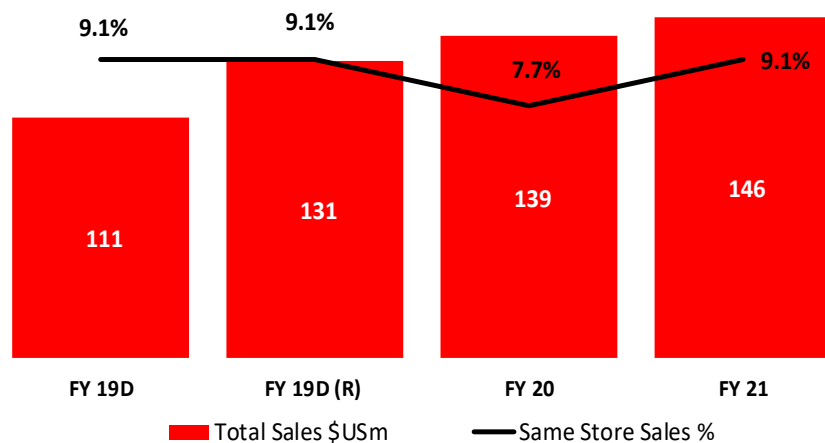
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Hawaiian Operations

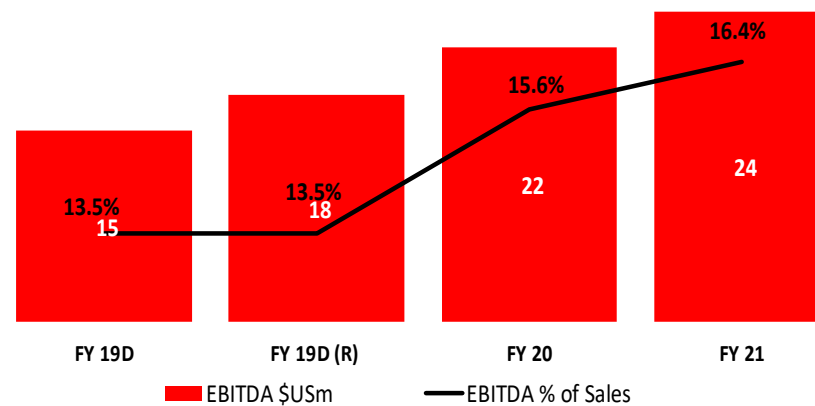


Hawaii boosted by recovery of sales and margin lost during initial stages of COVID-19, with Pizza Hut maintaining prior year trading gains

Hawaii Sales



Hawaii EBITDA



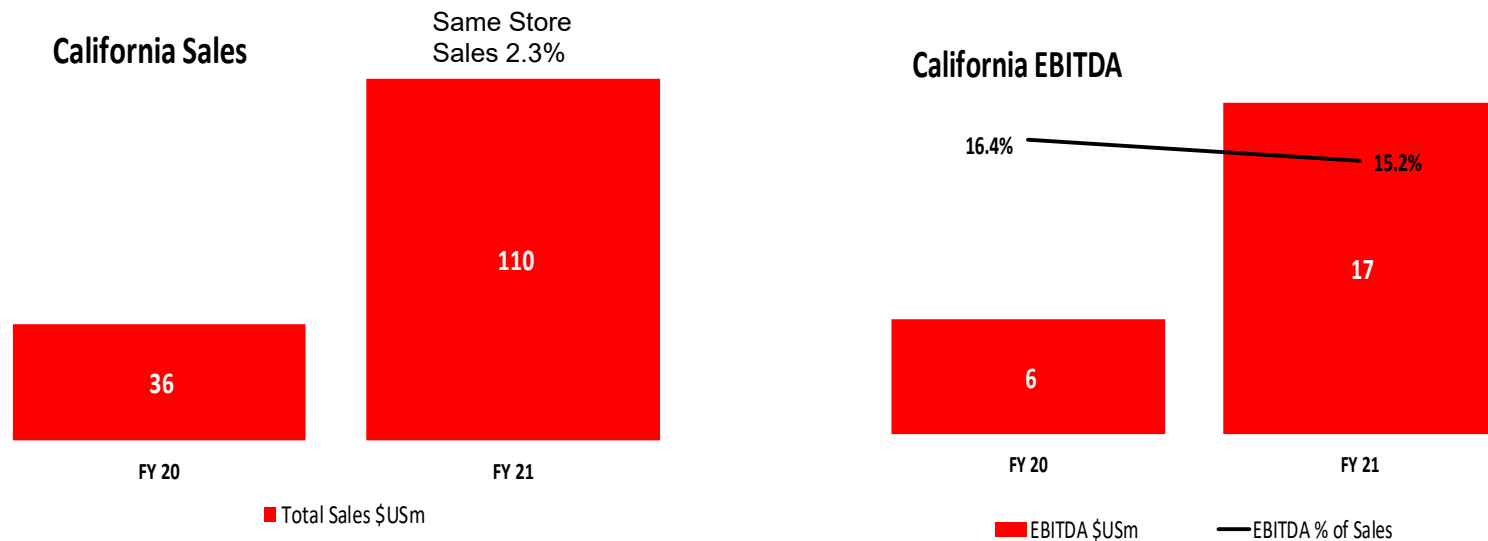
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Californian Operations



California acquisition exceeded expectations in first full year of ownership

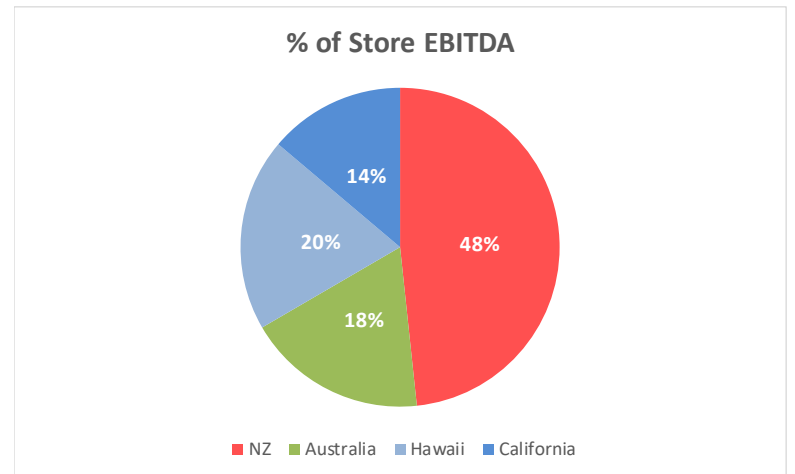
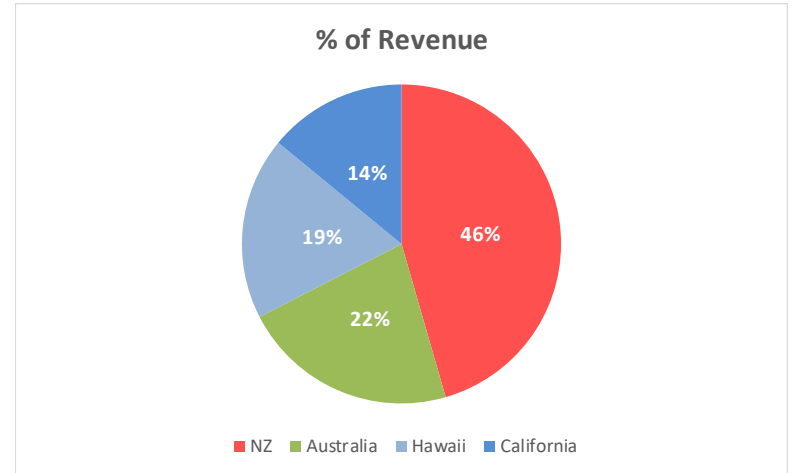


Note:

- FY 20 = 4 months to 31 December 2020
- FY 21 = 12 months to 31 December 2021

Completion of US acquisition places final piece on RBD beachhead expansion strategy

- With additional US business and strong sales growth RBD reached its \$1billion dollar revenue target.
- Future expansion in US to come from store builds and smaller franchise acquisition.
- Confirms wisdom of geographic and brand diversification strategy.



Outlook

Despite the challenges of operating under ongoing COVID-19 cases RBD intends to continue take a “business as usual” approach and continue with further growth through acquisition, store refurbishments and new store roll outs.

New KFC and Taco Bell store builds will continue to drive sales and profit enhancement in New Zealand and Australia. The Taco Bell scrape and rebuilds in Hawaii will further assist that result.

The California acquisition is well settled in and trading well, with plans for additional stores by both new store builds and ongoing minor acquisitions near existing stores.

Despite solid sales and margins in the beginning of FY22, continued uncertainty in the trading environment due to COVID-19 mean that RBD is not providing firm guidance for the FY22 results at this stage.

Questions

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